

# DHS

## Credit Worthiness FAQs

1. **Q. How did Citibank determine how to do the creditworthiness check?**  
A. The creditworthiness determination is outlined in OBM Circular 123-A, appendix B. Citibank did not determine the eligibility requirements.
2. **Q. What is a FICO score?**  
A. FICO stands for Fair Isaac & Company. Credit scores are calculated by using scoring models and mathematical tables that assign points for different pieces of information which best predict future credit performance.
3. **Q. What determines a restricted card from an unrestricted card?**  
A. The applicants FICO score determines if an account is set up as restricted vs. unrestricted. Accounts with FICO scores less than 660, the component may issue a card, but more stringent restriction, the component will take one or more of the following actions:
  - Reduce the overall dollar limit for the card;
  - Reduce the limit on individual transactions amount;
  - Limit (or further limit, if applicable) the types of transactions allowed;
  - Issue a pre-paid card that automatically restricts dollar and transactions and transactions types;
  - Limit (or further limit, if applicable) the dollar amount of transactions that can be applied to the card within a particular time period;
  - Restrict (or further restrict, if applicable) use at ATMs.Accounts with FICO scores 660 or above are unrestricted.
4. **Q. Will the cardholder be told of his/her credit score?**  
A. No the cardholder's FICO score will not be provided. Service personnel do not have access to this information. If the cardholder requests more information, we will tell the cardholder that they can contact the credit bureaus for information on their credit history. The cardholder has the right to dispute any incorrect information contained in the report. Citibank will not be providing notification to the cardholder that their account has been established as restricted.
5. **Q. Are any cardholders denied an account?**  
A. All applicants receive an account. There are two designations - unrestricted and restricted. Agencies determine what constitutes a restricted account. Citibank is not denying any cardholders an account.
6. **Q. How will the cardholder be notified that he/she is receiving a restricted account?**  
A. Citibank will not be notifying individual cardholders that they are receiving a restricted or unrestricted account. We will provide a report to OPCs detailing the accounts that have a restricted designation within a few days of receiving the account set up form.
7. **Q. Where will Citibank be getting the credit scores?**  
A. Citibank will use all credit reporting agencies for FICO scores.

8. **Q. Who are the credit bureaus? What are their addresses?**  
A. The three major credit bureaus are utilized and the companies are
- Trans Union, PO Box 390, Springfield, PA 19064/Phone number 1-800-916-8800
  - Equifax, P.O. Box 105873, Atlanta, GA 30348/Phone number 1-800-685-111
  - Experian, 701 Experian Parkway, P.O. Box 949, Allen, TX 75013-0949/Phone number 1-888-397-3742
9. **Q. Does Citibank's credit check count as a hit against the applicant's credit report?**  
A. Yes, the credit check inquiry is counted by the credit bureaus.
10. **Q. Does Customer Service or Client Account Specialists have access to credit scores?**  
A. No, service personnel do not have access to credit score information. In the account boarding process, the cardholder's credit score is requested and a message is returned so that we know if the account is to be set up as restricted vs. unrestricted in a system-to-system fashion.
11. **Q. What if the cardholder finds incorrect information on their report and gets it corrected? Can the cardholder then get an unrestricted card? How will Citibank handle this situation?**  
A. The cardholder should work with their component/organization program coordinator. The OPC can provide information to us so that the restricted designation can be removed.
12. **Q. What is the credit limit for a restricted card?**  
A. The credit limit for a restricted account is set by the component.
13. **Q. Is there any circumstance in which credit worthiness restriction may be temporary lifted?**  
A. Yes. The credit worthiness restrictions may be temporarily lifted at the discretion of a component, in order to ensure the safety of American citizen and/or property during times of national emergency, contingency, peacekeeping, or humanitarian missions..
14. **Q. Are there default limits on accounts receiving a restricted designation? If so, what are they?**  
A. Yes, there are default limits. The default credit limit is \$1 and there is zero cash access. This means that during the account set up processing that the cardholder's credit limit is initialized to \$1 and there is no cash access.
15. **Q. What is the process for updating the credit limits and authorization parameters on restricted accounts?**  
A. Each component must establish their criteria for what constitutes restricted. Once that is done, we will maintain (if requested) a pre-defined template so that when an account is determined to be restricted we can apply the maintenance and update the credit limit and authorization parameters on the account. Alternatively, OPC can submit a maintenance form or use the CitiDirect when they are notified an account has received a restricted designation.

16. **Q. When are re-evaluations of credit worthiness required?**  
A. A credit worthiness assessment must be conducted for restricted cardholders before the cardholder is issued a renewed card. The re-evaluation of credit worthiness may be conducted by obtaining a credit score, or at the component's discretion, may be conducted at reviewing the restricted cardholder's card usage during the initial period of card issuance.
17. **Q. What is the process if your employee refuses to participate and does not want to have a standard credit check performed?**  
A. If your employees refuse a credit check, a component may still issue a "restricted" card (as defined in question #3) travel card to a first time applicant, but components must conduct an alternative credit worthiness assessment to determine whether the individual possesses a satisfactory credit history. Specifically, the component must review the proposed applicant's most recent SF 85P, Section 22, Questionnaire for Public Trust Positions, or SF 86, Section 27, or use a similar vehicle containing the same type of information provided to assess credit worthiness. In either case the vehicle must not be older than one year.
- In these cases, OPCs should work with their CAS manager and fax CB004 to their CAS Manager. Please note on the fax cover page that the set up form should not go through the creditworthiness checking process. The CAS manager will see that the applicant's set-up form does not go through the creditworthiness process. These accounts are setup with an unrestricted designation.
18. **Q. What does the component need to provide to Citibank to have the application go through the exception process?**  
A. The component should fax the standard CB004 form to their CAS manager. On the fax cover sheet, please note that this set up form should NOT go through the scoring process. Since it is the component's responsibility to comply with the requirements of the OMB Circular, we do not need any special documentation as to why the employee's setup form should not go through credit scoring process.
19. **Q. How will you be able to identify restricted cards?**  
A. We have set aside a data element on our system to house the designation of restricted. This means that accounts designated as restricted can be identified.
20. **Q. When will I be able to run reports for restricted cards in Citibank Custom Reporting System (CCRS)?**  
A. We are working to make that available for agencies. It is estimated to be available as a data element in CCRS in the first half of 2007. Until the data to query is available in CCRS, we will generate a report and place it in your CERS mailbox.
21. **Q. What is the impact on CitiDirect? Will I be able to see the restricted designation in CitiDirect?**  
A. We are working on making enhancements to CitiDirect so that you can set up accounts with creditworthiness checking using CCMS and viewing the restricted indicator online. We expect this development to be done in the second calendar quarter of 2007.

22. **Q. Describe the setup and operational flow.**

A. The following is a description of the various steps and processes involved in the creditworthiness checking.

- Send Citibank a letter that your component wants to utilize Citibank for creditworthiness checking. The notice can go to your Client Account Specialist (CAS) manager or Business Development Manager. If a component wants to add specific language to a task order, they may do so. The new account setup form for creditworthiness scoring is CB004.b.
- Your CAS manager will make the necessary changes to your program so that account setup forms will go through the creditworthiness scoring process. This will take approximately two weeks. CAS will coordinate a call that will include all the necessary parties (for example, the Business Development Managers) and the client to ensure the process is clear and the time frames established and understood.
- If the component wants, they can establish a default “restricted” authorization template so that when accounts are determined to be restricted, we will apply your component’s restricted authorization parameters, e.g., credit limit of \$1,000 and further cash limitations to the restricted accounts. Please note that components determine the definition of restricted, not Citibank. Citibank encourages a default template be established to prevent cardholders from being declined at the point of sale.
- If a report of your “restricted” cardholders is needed, your CAS manager will work with you to establish the frequency. The report will be delivered to your CERS mailbox.
- If you have applicants for a government travel card that should **not** go through the standard FICO process (refer to question # 3) to perform an alternate review. In these cases, the OPC must fax the standard CB004 setup form to their CAS manager, please include on the fax a notation that the setup form should NOT go through the credit scoring process. Your CAS manager will see that the setup form **does not** go through the FICO scoring process. These accounts are established as unrestricted accounts.
- If a cardholder calls Customer Service to discuss the status of their account (i.e., restricted), we will inform the cardholder that they can contact the credit bureaus. If the cardholder requests information on why they went through a creditworthiness check, we will refer the employee to their OPC so the component can discuss their component’s policies (OMB Circular, if necessary) with the employee.
- Citibank personnel can maintain the restricted indicator, if a request is made by the authorizing OPC in writing.